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Croatia

Grain and Feed

Harvest and Trade Update

2003

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Report Highlights:

The summer drought reduced production of all major grains. Tight grain supplies mean there will be no wheat or corn exports. The wheat export subsidy issue shouldn't surface this year. Corn imports could reach 100,000 tons if available from neighboring suppliers. This is an update to HR3017. No PS&D is included as our understanding is that FAS doesn't maintain a Croatian grain PS&D.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Vienna [AU1]
[HR]

Wheat:

This year's drought severely limited production. There will be no expected exports of wheat this year so wheat export subsidies shouldn't be an issue. Winter wheat was sown on approximately 195,000 ha. The wheat harvest was around 600,000 MT with at least 80,000 MT of wheat in government stocks (20,000 MT was sold from governmental stocks in spring of this year).

Domestic consumption ranges from 700,000 MT to 750,000 MT. The combination of millers' flour stocks combined with this year's harvest should just about meet consumption needs until the next harvest. Wheat prices are 30% higher than in 2002 reflecting tight supplies in the region. One kilo of wheat on the market is priced up to 1.3 kuna or about US\$0.20 per kilo.

In the first six months of 2003, prior to the wheat harvest, Croatia imported 7,635 MT of wheat, mostly from Hungary. Exports to Italy, Bosnia and Herzegovina and Albania totaled 60,741 MT.

Corn:

The 2003 drought affected yield estimate is 30% below 2002. Nevertheless, as farmers switched from wheat to corn because of expected higher prices so planted area was 400,000 ha with a total production of 1,800,000 MT. Imports may reach up to 100,000 MT. The corn production subsidy this year was Kuna 1,250 (\$193)/ha. This shortage in supply caused the Croatian Government to introduce 30% export tariffs from September 2003 through March 2004. Current corn prices are 1.3 kuna/kilo, or US\$0.20/kilo. This is the same price as wheat.

In the first six months of 2003 Croatia imported 7,118 MT mainly from Hungary and exported 114,377 tons of corn to: Italy (61,353 MT), Greece (38,340 MT) and Bosnia-Herzegovina (11,448 MT).

Barley ;

Fall barley planted area was 41,423 ha and spring planting brought the total to about 50,000 ha. However, only 45,531 ha were harvested. Production was expected to be 50 percent less than in 2002 because of spring drought and extensive rain during the fall sowing season. However, production fell only around 40% to 104,810 MT as the situation wasn't as severe as expected. Imports are expected to range between 80,000 MT – 100,000 MT. In the first six months of 2003 Croatia imported 27,379 MT from Russia, Austria and Hungary while 181 MT. Were exported to Slovenia.

Tariffs for wheat, corn, and barley can be found at www.carina.hr.

Exchange rate: \$1 = Kuna 6.5